

MEETING NO. 3236
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD THURSDAY, APRIL 18, 2019

09:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

MICHAEL F. BERENT	ELECTED TRUSTEE/FIRE
MARK DIAZ	ELECTED TRUSTEE/POLICE
MATTHEW GNATEK	ELECTED TRUSTEE/POLICE
ANGELA R. JAMES	EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYOR'S DESIGNEE
MEGAN S. MOSLIMANI	EX/OFFICIO TRUSTEE/CORPORATION COUNSEL /VICE-CHARPERSON
JOHN NAGLICK	EX/OFFICIO TRUSTEE/FINANCE DIRECTOR
GEORGE ORZECH	ELECTED RETIRANT TRUSTEE/FIRE
JEFFREY PEGG	ELECTED TRUSTEE/FIRE/CHAIRPERSON
DEAN PINCHECK	ELECTED TRUSTEE/FIRE
PORTIA ROBERSON	EX/OFFICIO TRUSTEE/MAYOR'S ALTERNATE
JOHN SERDA	ELECTED TRUSTEE/POLICE
GREGORY TROZAK	ELECTED RETIRANT TRUSTEE/POLICE
STEVEN WATSON	EX/OFFICIO TRUSTEE/DIRECTOR OF FORECASTING AND ECONOMIC ANALYSIS-BUDGET DEPARTMENT/BUDGET DIRECTOR'S DESIGNEE

TRUSTEES EXCUSED

SHAWN BATTLE	EX/OFFICIO TRUSTEE/FIRE PREVENTION CHIEF/MAYOR'S DESIGNEE
BRENDA JONES	EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT
CHRISTA MCLELLAN	EX/OFFICIO TRUSTEE/TREASURER

ALSO PRESENT

David Cetlinski	Executive Director
Kelly Tapper	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Ronald King	General Counsel
TaKneisha Johnson	Administrative Assistant IV
Dr. Oscar King III	Board Lobbyist

STAFF EXCUSED

Bruce Babiarz	Public Relations Advisor
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VICE-CHAIRPERSON

MEGAN MOSLIMANI

A verbal Roll Call commenced at 09:08 a.m. and Vice-Chairperson Moslimani called the meeting to order.

Present at Roll Call: Michael F. Berent, Mark Diaz, Matthew Gnatek, John Naglick, George Orzech, Dean Pincheck, John Serda, Gregory Trozak and Steven Watson

Re: Approval of April 18, 2019 Agenda

Matthew Gnatek moved to approve the agenda dated **Thursday April 18th, 2019**. Mark Diaz supported. The motion passed unanimously.

Re: Approval of DROP Retirement Applications

Mark Diaz moved to approve the **DROP Retirements** as listed below.
Matthew Gnatek supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Tony B. Cotton - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 04 01 – 03 15 19

NAME, TITLE, DEPARTMENT	Stevie E. Hayes – Police Sergeant - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	21 05 23 – 03 27 19

NAME, TITLE, DEPARTMENT	Christopher Hicks - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	18 09 10 – 03 12 19

NAME, TITLE, DEPARTMENT	Shantell T. Jenkins - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 03 18 – 03 26 19

NAME, TITLE, DEPARTMENT	Dietrich L. Lever - Police Sergeant - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	23 09 11 – 03 19 19

POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3236
APRIL 18, 2019

Re: Approval of DROP Retirement Applications- Continued

NAME, TITLE, DEPARTMENT	Brian T. Ross - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	15 06 17 – 03 19 19
NAME, TITLE, DEPARTMENT	Ronaldo L. Turner - Police Officer - Police
RETIREMENT TYPE-PLAN	Drop - New
SERVICE CREDIT-EFFECTIVE DATE	23 01 04 – 03 14 19

Re: Approval of HYBRID Retirement Applications

Matthew Gnatke moved to approve the **HYBRID Retirements** as listed below.
Mark Diaz supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Dietrich L. Lever - Police Lieutenant - Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	04 09 00 – 03 19 19
NAME, TITLE, DEPARTMENT	Ronaldo L. Turner - Police Officer - Police
RETIREMENT TYPE-PLAN	Hybrid - Drop
SERVICE CREDIT-EFFECTIVE DATE	04 08 00 – 03 14 19

Re: Approval of Retirement Applications

Gregory Trozak moved to approve the **Retirements** as listed below.
Mark Diaz supported. The motion passed unanimously.

NAME, TITLE, DEPARTMENT	Robert C. Bolden – Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	19 08 18 – 03 27 19
NAME, TITLE, DEPARTMENT	Derek Stone (Child of Deceased Derek
RETIREMENT TYPE-PLAN	Stone) – Fire Fighter Driver - Fire
SERVICE CREDIT-EFFECTIVE DATE	Non-Duty Death Child - New 20 06 04 - 02 25 19
NAME, TITLE, DEPARTMENT	Kelley Stone (Widow of Deceased Derek
RETIREMENT TYPE-PLAN	Stone) – Fire Fighter Driver - Fire
SERVICE CREDIT-EFFECTIVE DATE	Non-Duty Death Widow - New 20 06 04 - 02 25 19
NAME, TITLE, DEPARTMENT	Marcia L. Wimbush – Police Officer - Police
RETIREMENT TYPE-PLAN	Service - New
SERVICE CREDIT-EFFECTIVE DATE	16 02 04 – 03 05 19

POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3236

APRIL 18, 2019

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts		Cash Account:	HYBLIQRES	R/C	Receipt
Company:	RSCD-PFRS	Start Date:	3/18/2019		
		End Date:	4/15/2019		
3/29/2019	CA	Cash Entry	001262	Pre tax Pension Contributions 3-29-19	R/C 270,592.68
4/5/2019	CA	Cash Entry	001279	Mandatory Pretax Pension Contributions 4-5-19	R/C 94,626.62
					<u>365,219.30</u>

Cash Receipts		Cash Account:	LIQUID RES	R/C	Receipt
Company:	RSCD-PFRS	Start Date:	3/18/2019		
		End Date:	4/15/2019		
4/2/2019	CA	Cash Entry	001270	Loan Deduction Program 3-29-19 (\$74,567.03).	R/C 74,567.03
4/11/2019	CA	Cash Entry	001288	Loan Deduction Program 4-5-19(\$35,130.26)	R/C 35,120.26
					<u>109,687.29</u>

Total Receipts	<u>474,906.59</u>
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POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3236
APRIL 18, 2019

Re: Approval of Disbursements

Mark Diaz moved to approve the **Disbursement List** as outlined below.
Matthew Gnatke supported. The motion passed unanimously.

Disbursement Report

Page: 1 of 3
Date: 4/15/2019 7:56 AM

Account	Payment Method	Currency	
LIQUID RES	WIRE	US	
Vendor Name			
BLACKSTONE	041819	Capital Call	711,605.17
HL - CLAYTON, DUBILIER & RICE FUND X	041719	Capital Call	3,000,561.00
HL - Gridiron Capital Fund III, LP	041919	Capital Call	2,236,393.00
HL - Platinum Equity Capital Partners IV, LP International	041719	Capital Call - Cayman (International)	200,308.00
MESIROW FINANCIAL REAL ESTATE VALUE FUND III	040919	Capital Call	607,121.44
Bridgett Hardy	033119BH	IT Contractual Wages - March 2019	5,945.38
James R. Hollins	033119JH	IT Contractual Wages - March 2019	4,532.43
Raymond R. Tchou	033119RT	IT Contractual Wages - March 2019	9,667.09
Venkat Rallapalli / Highbrow Systems, Inc.	033119VR	IT Contractual Wages - March 2019	7,124.19
Cash Account/Payment Method Total:			9 Documents
			6,783,257.70
HUNT VEND ACH US			
Vendor Name			
ADP, INC	532395705	Check Printing Services	688.20
CDW GOVERNMENT	RGR6395	Computer Equipment	1,239.98
CDW GOVERNMENT	RHD1960	Computer Equipment	199.99
CLARK HILL, PLC	851026	General Counsel Services for December 2018	19,530.00
CLARK HILL, PLC	851065	DROP Program for December 2018	2,558.50
CLARK HILL, PLC	851066	Gregory Davis for December 2018	600.65
CLARK HILL, PLC	851067	Combined Plan for December 2018	4,554.30
CLARK HILL, PLC	858725	DROP Program for February 2019	309.40
CLARK HILL, PLC	858726	Donald V. Watkins et al. Litigation for February 2019	399.50
CLARK HILL, PLC	858727	ICG Litigation for February 2019	359.55
CLARK HILL, PLC	858731	Gregory Davis for February 2019	1,595.02
CLARK HILL, PLC	858732	Combined Plan for February 2019	504.90
CLARK HILL, PLC	858734	Environmental Geo-Technologies for February 2019	7,390.75
Cogent Communications, Inc.	040119	Internet Service	1,023.00
CREATIVE BREAKTHROUGHS INC	INV1455	Software Maintenance	11,900.00

POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3236
APRIL 18, 2019

Re: Approval of Disbursements- Continued

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
HARVEST FUND ADVISORS LLC	Det P&F 2018 Q4	Management Fees - 4th Qtr '18	123,914.63
LIBERTY LIFE ASSURANCE COMPANY OF BOSTON	121818	Management Fees 2018	42,000.00
LOOMIS, SAYLES & COMPANY, L.P.	197989	Management Fees 1st Qtr '19	58,117.38
MORGAN STANLEY INVESTMENT MANAGEMENT	20181221-7785-A	Management Fees 4th Qtr '18	77,883.19
MSCI INC.	400091105	Finance Subscription 4/14/19-4/13/20	500.00
NORTHPOINTE CAPITAL, LLC	1Q19	Management Fees 1st Qtr '19	75,870.18
Open Text, Inc.	RC428043	Imaging Software Support Renewal	12,115.88
RHUMBLINE ADVISERS	g13mpfrsd2019Q1	Management Fees 1st Qtr '19	8,753.00
SMITH GRAHAM	1Q19	Management Fees 1st Qtr '19	20,098.00
STEPSTONE GROUP REAL ESTATE LP	1259	Management Fees 1st Qtr '19	50,394.00
UHY Advisors MI, Inc.	1288662	Professional IT Services for March 2019	11,062.50
UHY Advisors MI, Inc.	1288665	Professional IT Services for March 2019	52,987.50
Cash Account/Payment Method Total:			27 Documents
			586,550.00

HUNT VEND CHECK US

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
BAB ASSOCIATES, LLC	2019-0121	Public Relations Services March 2019	4,017.70
CLIFFORD KLESZCZ	102318	Office Visit Reimbursement	145.00
DIRECTV	36075249097	Service Charges 3/23/19-4/22/19	39.12
FEDEX	6-502-43384	FedEx Mailing	26.16
FEDEX	6-510-28817	FedEx Mailing	26.16
First CHOICE Coffee Services	610050	Coffee Supplies	114.11
GABRIEL, ROEDER, SMITH & CO	445686	Actuarial Services for March 2019	10,900.00
George Orzech	040419	Trustee Stipend	1,020.08
GREGORY TROZAK	031119GT	Trustee Parking	150.00
GREGORY TROZAK	040419	Trustee Stipend	881.17
IRON MOUNTAIN	201840937	Storage CDs	888.80
Iron Mountain Records Management	ANSY627	Records Storage	1,679.16
MICRO CENTER	8875939	Computer Equipment	60.92
OFFICE DEPOT	295265390001	Office Supplies	14.83
OFFICE DEPOT	295265391001	Office Supplies	7.50
OFFICE DEPOT	295265392001	Office Supplies	5.69
OFFICE DEPOT	295265393001	Office Supplies	17.50
OFFICE DEPOT	295265394001	Office Supplies	11.99
QUILL CORPORATION	5919725	Office Supplies	342.24

Vendor Name	Invoice Number	Invoice Description	Amount To Pay
QUILL CORPORATION	5925057	Office Supplies	20.00
QUILL CORPORATION	5982085	Office Supplies	4.90
RACINE & ASSOCIATES	12499	DPF v. Paramount 3/1/19-3/31/19	2,141.00
SCHAIBLE BUILDERS, INC	005933	Reception Area Window, Door and Safety Upgrades	1,396.00
SHRED-IT USA	8126889794	Shredding Service Charges	49.73
TRANSUNION RISK & ALT DATA SOLUTIONS INC	040119	TLOxp Research Services	28.80
WELLS FARGO VENDOR FINANCIAL SVCS, LLC	101923247	Printer Maintenance	129.11
XEROX	096462206	Printer Maintenance	84.65
Cash Account/Payment Method Total:			27 Documents
			24,202.32

* Payment amount is estimated based on the effective date 4/15/2019

- ***Chairperson Jeffrey Pegg entered the Boardroom at 9:13 a.m. and Vice-Chairperson Megan Moslimani relinquished the Chair to Chairperson Pegg.***

Re: Approval of Refunds (Accumulated Contributions)

John Serda moved to approve the **Refunds/Accumulated Contributions** list as outlined below Mark Diaz supported. The motion passed unanimously.

LIST NUMBER 3783 - \$318,442.77

LIST NUMBER 3784 - \$198,383.16

➤ *Trustee Angela James entered the Boardroom at 9:15 a.m.*

Re: Approval of the Frozen Defined Contribution Plan/ Employee Loan Program

Michael Berent moved to approve the **Frozen Defined Contribution Plan/ Employee Loan Program** as outlined below. Mark Diaz supported. The motion passed unanimously.

LIST #1 04/11/2019 – \$59,996.00

LIST #2 04/18/2019 – \$53,945.00

Re: Approval of Minutes/Journal of Proceedings No. 3234 – (03/21/2019)

Mark Diaz moved to approve the **Minutes/Journal of Proceedings No. 3234 (03/21/2019)** Matthew Gnatek supported. The motion passed by vote as follows:

Yea – Berent, Diaz, Gnatek, James, Moslimani, Naglick, Orzech, Pincheck, Serda, Watson and Chairperson Pegg - 11

Nay – None

Abstentions – Trozak- 1

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Kelly Tapper**, addressed the following with the Board of Trustees:

- Seminole Tele-Conference Call May 10th, 2019 at 10:00 a.m.
 - Any Trustee interested, please let Ms. Tapper know and she will R.S.V.P.
- Nine Point Questionnaire Revision has been provided for review
- Legal RFP Sample Questions
- Email responses for Legal RFP Interviews were provided to the Trustees

- ***Board Lobbyist Dr. Oscar King III entered the Boardroom at 9:21 a.m.***
- ***Trustee Portia Roberson entered the Boardroom at 9:25 a.m.***

Re: Approval of Nine Point Questionnaire

Matthew Gnatke moved to approve the **Nine Point Questionnaire Revisions** as presented by Ms. Tapper. Michael Berent supported. The motion passed unanimously.

Re: Firm Specific Questions and Legal Discussion

The Board of Trustees engaged in discussion regarding the "Firm Specific Questions" and disclosures as provided by Ms. Tapper. The Board decided to finalize the selection process following the Legal Firm Presentations by motion as listed below:

Re: Legal Firm Selection

George Orzech moved that the Board of Trustees discuss and vote on/select a firm that is deemed conducive to the needs of the System following the final Legal Firm's presentation on May 2nd, 2019. John Naglick supported. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- Retirement Systems office will be closed on Friday April 19th, 2019 in observance of "Good Friday"
- Mr. Cetlinski updated the Board on former Retirement System Employee Dennis Linet's passing and funeral services

- ***The Police and Fire Board of Trustees will hold a Special Meeting following the regular Police and Fire Retirement System Investment Committee meeting on May 13th, 2019 at 1:00 p.m.***

- ***Trustee Matthew Gnatek excused himself from the Boardroom at 9:42 a.m.***
- ***Trustee Dean Pincheck excused himself from the Boardroom at 9:42 a.m.***

- ***Trustee Matthew Gnatek returned to the Boardroom at 9:45 a.m.***
- ***Trustee Dean Pincheck returned to the Boardroom at 9:50 a.m.***

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, in addition to his formal report, discussed the following matters with the Board:

- Market overview
- Private Equity Return
- Summary Asset Allocation Report date ending March 31, 2019
- Engagement of MGRA Genesis Value Fund, LP C/O American Realty Advisors
- May 13th, 2019 Investment Committee topics
- Chief Investment Officer's Trip Summary
- Funding and liquidation updates
- Status of DROP Plan Transfers

Re: Engagement of RSM- US LLP/ MGRA Genesis Value Fund, LP C/O American Realty Advisors

Matthew Gnatek moved to approve the recommendation of Investment Staff to engage RSM- US LLP and ARA (American Realty Advisors) to assist with the IRS audit with respect to MGRA Genesis Value Fund. Dean Pincheck supported. The motion passed unanimously.

Re: Committee Formation: DROP Plan Transfer Committee

The Board of Trustees established a committee tasked with the oversight of the DROP Plan Transfer. The following Trustees are interested in serving on the Committee: Mark Diaz, Matthew Gnatek, Michael Berent, Jeffrey Pegg, Dean Pincheck and George Orzech. Staff members: David Cetlinski, Kelly Tapper, Ryan Bigelow and General Counsel Ronald King. The Committee will meet on Tuesday April 23rd, 2019 at 10:30 a.m. following the Policy Committee meeting.

LOBBYIST'S REPORT

Lobbyist, **Dr. Oscar King III**, provided the Board with a legislative update as listed below:

- Senate Bill 260
- House Bill 4185
 - Both bills are currently in appropriations.
- Questions were raised from the Detroit delegation with respect to minority participation in the handling of the City of Detroit Pension funds. Dr. King suggests that the Board respond to this question in writing to the delegation; Chairperson Pegg will forward letter to Senator Sylvia Santana with respect to the inquiry.
- Gas Tax update

GENERAL COUNSEL'S REPORT

General Counsel, **Ronald King**, discussed the following matters with the Board:

- Police and Fire Investment Committee process with respect to a special conference regarding the disapproval of Investment Committee Compensation Adjustments for CIO and Deputy CIO
- Environmental Geo Technologies Update
- Semi-Annual Foundation Reports
 - Interim confirmation executed by Investment Committee chair, Robert Smith to comply with reporting requirements to Foundation for Detroit's Future and the City of Detroit
- FOIA Requests
 - Mandate Wire; The Financial Times
 - Public Plan IQ

Re: Authorization for F. Logan Davidson

George Orzech moved to authorize F. Logan Davidson to perform legal services, as necessary, with respect to the EGT transaction as discussed by General Counsel. Mark Diaz supported. The motion passed unanimously.

NEW BUSINESS/OLD BUSINESS

- Trustee Berent asked for and received an update with respect to the Life Assurance Fund
- Trustee Trozak had questions regarding IRS Form 4506T (transcript request for employment earnings offset)
- Policy Committee meeting update was provided
 - The Code of Conduct and Rules of Procedure were provided and will be forwarded to the full Board for review
- Conference Approval

Re: IFEBP Employee Benefits Conference October 20-23, 2019

Resolution Moved By: Trustee Diaz Supported By: Trustee Gnatke

Resolved, that the Board approve the attendance of any interested Trustee, The Executive Director, The Assistant Executive Director and General Counsel at the aforementioned conference, **and BE IT Further**

Resolved, that the Board approve expenditures for any interested Trustee, the Executive Director, The Assistant Executive Director and General Counsel to attend said conference, and **BE IT FURTHER**

Resolved, that a copy of said conference brochure be provided to Retirement System Staff member JoAnn Harrison. The motion passed unanimously.

Re: IFEBP Health Care Management Conference May 06--08, 2019

Resolution Moved By: Trustee Diaz Supported By: Trustee Gnatke

Resolved, that the Board approve the attendance of any interested Trustee, The Executive Director, The Assistant Executive Director and General Counsel at the aforementioned conference, **and BE IT Further**

Resolved, that the Board approve expenditures for any interested Trustee, the Executive Director, The Assistant Executive Director and General Counsel to attend said conference, and **BE IT FURTHER**

Resolved, that a copy of said conference brochure be provided to Retirement System Staff member JoAnn Harrison. The motion passed unanimously.

ADJOURNMENT

Portia Roberson moved to adjourn meeting #3236; Dean Pincheck supported.

Chairperson Pegg adjourned the meeting at 11:21 a.m. The Board's next meeting is scheduled for **Thursday, May 02nd, 2019**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



Kelly Tapper, Assistant Executive Director